

JUL - 8 1997

MILLISON INVESTMENT MANAGEMENT, INC. FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Federal Communications Commission
Washington, D.C. 20554

July 8, 1997

Broadband PCS C and F Block
Installment Payment Restructuring
WT Docket No. 97-82

ORIGINAL

Millison Investment Management Inc. ("MIM") would like to congratulate the FCC in its expeditious efforts to address the problems faced by some of the C and F Block license holders. MIM is an investment management firm that manages private funds and through affiliated partnerships, has significant investments in C and F Block license holders. David M. Millison, the principal of MIM has over 15 years experience in evaluating and investing in media and telecommunications companies.

As an early investor in a C-Block entity, MIM performed extensive due diligence on PCS and was fully and contemporaneously apprised of bid levels. While the bid levels exceeded our expectations, they also helped flush out speculators and resulted in the licenses being awarded to those entities that valued them the most. Unlike speculators, these entities were intent (and remain intent) on building wireless franchises and constitute the only viable means of introducing true competition into what amounts to an informal wireless telecom club. Not surprisingly, the most vocal opponents of a C-Block restructuring are members of this club or their affiliates.

MIM believes that while many legitimate issues have been raised by both sides, certain points of fact and interest that were put forth by some parties either as written submissions or prepared statements and/or replies during panel discussions sponsored by the FCC were misleading and require a response. Accordingly, MIM wishes the FCC to consider the following:

I. High prices in the C-Block were not the result of speculation.

The high prices in the C-Block auction resulted from the auction being the only true auction that allowed all or most potential new-entrants to participate. The favorable financing offered by the FCC along with capital markets that were extremely bullish on the sector led to vigorous bidding. Most bidders were in constant touch with their investors and more importantly, their investment bankers all of whom were supportive of the price levels.

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Some parties have suggested that the bidding was the result of "speculation" by the bidders. To the contrary, most of the speculative bidders eventually dropped out of the auction and the only ones that remained were the ones that were intent on creating value by building networks and introducing vibrant competition to the cellular telephone duopoly. The only way the prices made sense was if one were to actually build and operate a network.

Moreover, due to the rules established governing ownership of a Designated Entity requiring continuity of ownership by a control group serious bidders were not "speculating" with the intent of reselling licenses. Instead, these groups understood they would be required to develop and operate these systems for several years before any outright sale of licenses would be permitted.

II. In a capitalist society, restructuring is both customary and appropriate in situations of financial distress.

The United States' economic and social order derives much of its strength from having the most vibrant capital markets in the world. The markets, however, are not linear and can be highly volatile. In particular, any one sector could be rotating in or out of favor at any given time. Telecommunications equities were very much in favor 12-18 months ago, and although above their recent lows, they still appear to be out of favor in today's market. Major telecom success stories such as MCI, McCaw Cellular, and Turner Broadcasting all at some point experienced financial difficulties and needed to be "restructured" in one form or other. More recently, Nextel, Globalstar, Iridium, and Omnipoint have had periods over the past year or two when the financial markets swung from enthusiasm to despair over the prospects for each company. Needless to say, the ability to raise capital at any point has been enhanced or impaired depending on the market's outlook regarding each of these companies.

In situations where the underlying business plan or opportunity is sound but the financial structure of a company (capitalization) impedes the realization of such business plan, the private sector routinely restructures the financial structure in order to maximize the value realized by all of the constituencies. This is the best way to make sure that all of the resources (including management) are put to the best and most valuable use. That is the custom in this country and in this economic system -- and it works.

In the most routine restructuring a company's most senior creditors -- usually large commercial banks -- work with the company to reschedule payment terms and other covenants regarding outstanding loans because this usually makes the most business sense for all parties. Proposals to the FCC arguing for a rescheduling of payment terms, but with no reduction in principal owed, are consistent with the typical restructurings between lenders and borrowers in today's capital market.

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The use of bankruptcy to effect restructurings has also become common in the U.S. economy over the past decade. Regardless of the reason why such a restructuring has become necessary, it is the presumption of U.S. law that the bankruptcy process be used to help reorganize a debtor's business in order to rebuild value for all its constituents. Thus, even in cases where debt is extinguished the driving concept behind a successful reorganization is that by so doing the restructured enterprise will be able to pursue its business plan with a balance sheet more aligned with current market conditions and thereby maximize value for all parties in the process. If the plans proposed to the FCC calling for a significant amount of debt to be forgiven are adopted, the FCC would again be following current practices in pursuing a restructuring of the obligations.

III. No one bid with restructuring in mind.

The winning bidders in the auction bid in good faith and are now doing their best to work a set of adverse circumstances which came about without their concurrence. Even now, they are hardly guaranteed a successful restructuring, much less a windfall. All other participants who opted out of the auction had the same right and opportunity to take the same chances. They chose not to and are now trying to insert themselves back into the process. The argument "had we known that there would be a restructuring, we might have bid higher" does not deserve any more consideration than the person who sells a stock only to watch it go higher and wants to cancel the sale with the argument that had he known it was going higher, he would not have sold. The point is that no one expected the need for restructuring. As a matter of fact, if the winning bidders had expected one, they might have bid lower! If the FCC had expected one, it surely would have restructured the auction even before it got going.

IV. Parties opposing restructuring have hidden agendas.

The objections of some parties who already have licenses but are taking a "holier than thou" attitude are clearly irrational and can only be justified in light of anti-competitive alliances. Several parties objecting to the restructuring proposals are financially motivated by the hope that licenses will be reaucted at low prices given the current depressed market for spectrum. One such entity, managed by experienced Wall Street professionals who have participated in many sophisticated transactions involving media properties over the past decade, has recently approached third parties with respect to investing in a "vulture fund" that would seek to pick up licenses for peanuts.

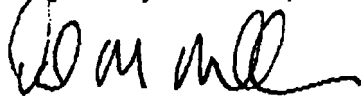
It was also mentioned that a restructuring would not be fair to all the senior citizens being asked to pay more for Medicare. Some of the proposals that are in front of the FCC have minimal effect on the U.S. Treasury and would far better

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serve the "revenue" side of the equation, if that were to be the sole criteria, because under those plans the restructured entities would have the potential to repay in full their original obligations, merely at a different point in time. If licenses are reauctioned in today's market, it is almost certain that revenues to the Treasury will be considerably lower than in such proposals. Indeed, revenues realized in a reauction wherein the buyers are "vulture funds" such as those which purchased assets from the Resolution Trust Corporation earlier this decade could even be lower than those realized if a plan to reduce debt obligations is effected.

In the final analysis, every party, whether a proponent or opponent is arguing for its own self interest - a circumstance that is quite understandable. The task for the FCC, however, is to determine which of these various self-interests truly further competition and public policy. We hope that the FCC is able to expeditiously effect the correct outcome.

Respectfully submitted,



David M. Millison
President